

**Senate File 2220 - Introduced**

SENATE FILE 2220

BY COURNOYER

**A BILL FOR**

1 An Act relating to sales of native distilled spirits by a  
2 native distillery.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.30, subsection 3, paragraph c,  
2 subparagraph (3), Code 2022, is amended to read as follows:

3 (3) A class "C" native distilled spirits liquor control  
4 license may be issued to a native distillery but shall be  
5 issued in the name of the individuals who actually own the  
6 business and shall only be issued to a native distillery which,  
7 combining all production facilities of the business, produces  
8 and manufactures not more than one hundred thousand proof  
9 gallons of distilled spirits on an annual basis. The license  
10 shall authorize the holder to sell native distilled spirits  
11 ~~manufactured on the premises of~~ by the native distillery at  
12 retail for consumption off the premises and to patrons by  
13 the individual drink for consumption on the premises, and  
14 mixed drinks or cocktails for consumption off the premises  
15 subject to the requirements of [section 123.49, subsection 2,](#)  
16 paragraph "d". All native distilled spirits sold by a native  
17 distillery for on-premises consumption and mixed drinks or  
18 cocktails sold for consumption off the premises shall be  
19 purchased from a class "E" liquor control licensee in original  
20 unopened containers. Native distilled spirits manufactured  
21 by the native distillery and sold by a native distillery for  
22 off-premises consumption shall be sold as provided in section  
23 123.43A.

24 Sec. 2. Section 123.43A, subsections 1 and 6, Code 2022, are  
25 amended to read as follows:

26 1. Subject to rules of the division, a native distillery  
27 holding a class "A" native distilled spirits license issued  
28 pursuant to [section 123.43](#) may sell or offer for sale native  
29 distilled spirits. As provided in [this section](#), sales of  
30 native distilled spirits ~~manufactured on the premises by the~~  
31 native distillery may be made at retail for off-premises  
32 consumption when sold on the premises of the native distillery  
33 that manufactures native distilled spirits. All sales intended  
34 for resale in this state shall be made through the state's  
35 wholesale distribution system.

6. Notwithstanding any provision of [this chapter](#) to the contrary or the fact that a person is the holder of a class "A" native distilled spirits license, a native distillery which, combining all production facilities of the business, produces and manufactures not more than one hundred thousand proof gallons of native distilled spirits on an annual basis may sell those native distilled spirits manufactured ~~on the premises of~~ by the native distillery for consumption on or off the premises by applying for a class "C" native distilled spirits liquor control license as provided in [section 123.30](#). A native distillery may be granted not more than two class "C" native distilled spirits liquor control licenses. All native distilled spirits sold by a native distillery for on-premises consumption and mixed drinks or cocktails sold for consumption off the premises shall be purchased from a class "E" liquor control licensee. Sales of native distilled spirits manufactured by the native distillery for off-premises consumption shall be made as provided in subsection 1. A manufacturer of native distilled spirits may be issued a class "C" native distilled spirits liquor control license regardless of whether the manufacturer is also a manufacturer of beer pursuant to a class "A" beer permit or a manufacturer of native wine pursuant to a class "A" wine permit.

### EXPLANATION

The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.

27       This bill concerns the sales of native distilled spirits by a  
28 native distillery holding a class "C" native distilled spirits  
29 liquor control license.

30 Code section 123.30, concerning class "C" native distilled  
31 spirits liquor control licenses, is amended to allow a holder  
32 of the license to sell native distilled spirits it manufactures  
33 for consumption on and off the premises of the license  
34 holder regardless of where the native distilled spirits were  
35 manufactured. Under current law, a native distillery can only

1 sell native distilled spirits it manufactures on the premises  
2 covered by the class "C" native distilled liquor control  
3 license for on-premises consumption.

4 Code section 123.43A, governing native distilleries, is  
5 amended to reflect the authority granted a class "C" native  
6 distilled spirits liquor control license in the bill and to  
7 allow sales of native distilled spirits manufactured by the  
8 native distillery at retail for off-premises consumption  
9 regardless of where the spirits were manufactured.

10 The bill provides that all sales of native distilled spirits  
11 at retail for off-premises consumption by a native distillery  
12 shall be made through the state's wholesale distribution  
13 system.